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CMCC Doc. No. 151X5.817

Copy 1 of 6
Page 1 of 2SAPC 21393
COPY 1 OF 4

11 November 1957

Hazel

Dear Dan:

25X1
We are enclosing a proposal covering the development of a display unit for use with System 3. [redacted] asked us to look into the feasibility of developing such a unit and incorporating it into their current order for System 3 equipment. This display unit would provide

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[redacted]
the threshold level. The proposal covers the fabrication of two prototype units as well.

A limited amount of circuitry change is also required in the basic receiving unit. Based on conversations with Bill, we have made these changes in the production receiver units to avoid the substantially higher cost when incorporating the changes at a later time. Whether or not we go ahead with the further development of the display unit, these changes in the basic circuitry will delay the delivery of the production units six weeks from the present schedule.

*Items 5 + 6 (c)
7 appendices
Rev 1
Amend 1
my-A-501*

25X1
25X1
The estimated cost of this development program is [redacted] the [redacted] and the total estimated cost, [redacted] is [redacted]. The cost estimate is computed using the estimated 1958 wage and burden rates since the majority of the work will be done during that year.

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Delivery of the two prototypes of the display unit could be made 3 March 1958 if we receive prompt authorization to proceed with the work, and production units could follow at the rate of two per week beginning 28 April 1958.

We plan to submit a subsequent proposal covering production of the display units some time in January when we will have a clearer idea of the production costs involved. At the present time, it appears that production units will cost approximately \$1800.00 each.

Bill has also asked us to look into the possibility of improving the sensitivity of the set through certain engineering modifications which he and George T have discussed. We have given him some preliminary information about this by telephone, and we are in the process of preparing a firm proposal covering the work. We hope to mail this proposal in about two weeks. Meantime, we have stopped work on the circuit boards involved to avoid costly rework.

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SECRET


CMCC Doc. No. 151X5.817

Copy 1 of 6

Page 2 of 2

11 November 1957

We will also be forwarding our recommendations for certain changes to the list of support equipment for this program.

A copy of this letter and proposal is enclosed 

25X1

Sincerely,

25X1



Dean

25X1

Enclosures:

Copies 1-3 of the following
CMCC Doc. No's

1131X5.125

1132X5.174

1134X5.59

1133X5.51 (Technical Exhibit 5 copies)

cc: Bill H. - Copy 4 of the above classified
documents except Copy 6 of 1133X5.51

cc: H.A.W. - A.G.O.
Copy 5 of the above classified documents
except 1133X5.51

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CMCC Doc. No. 1131X5.125

Copy 1 of 6
Page 1 of 1

Proposal: CAN 94
11 November 1957

ENCL #1
SAPC 21392
COPY 1 OF 3

**STATEMENT OF WORK
SYSTEM 3 M-2 DISPLAY UNIT**

The Contractor proposes to provide the necessary engineering, labor, facilities, and material to perform the following work:

<u>Item</u>	<u>Description</u>
1	Design, develop, fabricate and deliver two (2) prototype models of a System 3 M-2 Display Unit as described in the attached Design Plan (CMCC Doc. No. 1133X5.51), and modify the internal circuitry of the System as necessary to accept the Display Unit.
2	Prepare six (6) copies of an Instruction Guide Supplement, describing the Display Unit and associated System changes.

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CMCC Doc. No. 1132X5.174

Copy 1 of 6Page 1 of 1Proposal: CAN 94
11 November 1957

ENCL #3

SAPC 21393

COPY 1 OF 2

**COST ESTIMATE
SYSTEM 3 M-2 DISPLAY UNIT****Items 1, 2 - Prototype Models and Instruction Guide Supplements**

Labor	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
25X1 Engineers			\$ 5,963 <i>5962.50</i>
Technicians			3,904
Designers and Draftsmen			3,632 <i>3631.75</i>
Shop Mechanics			974 <i>973.50</i>
Writers and Illustrators			949 <i>948.75</i>
			<u>\$15,422</u>
25X1			20,820 <i>20,819.70</i>

Direct Charges

Purchased Parts	\$2,340	
Fabricated Parts	375	
Reproduction	80	
Packaging	<u>10</u>	
		<u>2,805</u>

25X1

\$39,047

5,271 *5271.345***TOTAL ESTIMATED COST**

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TOTAL ESTIMATED COST INCLUDING FEE**SECRET**

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CMCC Doc. No. 1134X5.59

Copy 1 of 6
Page 1 of 1

Proposal: CAN 94
11 November 1957

ENCL #2	
SAPC	21393
COPY 1 OF 3	

**DELIVERY SCHEDULE
SYSTEM 3 M-2 DISPLAY UNIT**

Items in the Statement of Work shall be delivered in accordance with the following schedule based on receipt of authority to proceed by 25 November 1957.

<u>Item</u>	<u>Schedule</u>
1	Prototype Models - 3 March 1958
2	Instruction Guide Supplements - 3 March 1958

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